

# CONTROLLER JOHN CHIANG

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## Controller Releases August Cash Flow Figures

**SACRAMENTO** – State Controller John Chiang today released his monthly report detailing California's cash balance, receipts and disbursements through the first two months of the 2007-08 fiscal year. Because the Department of Finance has not yet released the final monthly revenue projections from the Budget Act, the Controller's summary analysis of the State's cash position compares total cash receipts and disbursements with July through August of last fiscal year.

"So far, revenues for the fiscal year are nearly identical to those from this same time last year," Chiang said. "The significance in this flat revenue growth will be better known once the Governor's Office finalizes the monthly revenue projections for the year."

Actual General Fund revenue receipts through August were \$42.1 million, or 0.4 percent below last year at this time. Personal income tax receipts through August were \$119 million higher than last year at this time, a 2.1 percent increase. Retail sales tax receipts were \$59.2 million higher compared to the same time last year, a 1.3 percent increase. Corporate taxes were \$53.9 million below last year at this time, a 10.6 percent decrease.

August personal income tax receipts were \$3 billion, down 3.6 percent from last August, while retail sales and use taxes for the month were \$3.6 billion, up 2.7 percent from last August. Corporate taxes for the month came in at \$161 million, 21.6 percent below last August. Next month will give a more complete picture of corporate tax receipt trends once quarterly taxes are received. September is also an important month for income tax receipts because estimated tax payments are due for high-income taxpayers.

From July through August, the State spent \$8.3 billion more than it received in revenue – but deficits at this point are not unusual as a disproportionate share of the State's revenues come in during the last four months of a fiscal year, while a large percentage of disbursements occur in the first eight months.

The State started the fiscal year with a \$2.5 billion cash balance, leaving a cash deficit of \$5.8 billion as of August 31. However, that cash deficit is covered by internal borrowing. The State has \$9.6 billion in unused borrowable resources.

The [financial statement](#) and the [summary analysis](#) can be found on the Controller's Web site at [www.sco.ca.gov](http://www.sco.ca.gov).

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